

Endowment Fund Investment Board

STARS Number & Budget Unit: 322 LABA, 322 LABB(Cont)

Bill Number & Chapter: H797 (Ch.327), H844 (Ch.375), S1263 (Ch.1)

PROGRAM DESCRIPTION: Through active management of the endowment funds, the State Insurance Fund, and the Judges' Retirement Fund, the Endowment Fund Investment Board provides growth of principal to the funds and increased income to the funds' beneficiaries. [Idaho Code, §57-718]

DIVISION SUMMARY:	FY 2005 Total Appr	FY 2005 Actual	FY 2006 Total Appr	FY 2007 Request	FY 2007 Gov Rec	FY 2007 Approp
BY FUND SOURCE						
Dedicated	553,000	483,500	574,800	653,900	652,500	627,800
Percent Change:		(12.6%)	18.9%	13.8%	13.5%	9.2%
BY EXPENDITURE CLASSIFICATION						
Personnel Costs	341,500	324,700	360,700	400,300	399,500	374,800
Operating Expenditures	206,500	153,600	206,600	242,600	242,600	242,600
Capital Outlay	5,000	5,200	7,500	11,000	10,400	10,400
Total:	553,000	483,500	574,800	653,900	652,500	627,800
Full-Time Positions (FTP)	4.00	4.00	4.00	4.00	4.00	4.00

In accordance with Section 67-3519, Idaho Code, this division is authorized no more than 4 full-time equivalent positions at any point during the period July 1, 2006 through June 30, 2007 for the programs specified.

DECISION UNIT SUMMARY:	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	4.00	0	568,200	0	568,200
One-time 1% Salary Increase H395	0.00	0	3,200	0	3,200
Omnibus CEC Supplemental S1263	0.00	0	3,400	0	3,400
FY 2006 Total Appropriation	4.00	0	574,800	0	574,800
Removal of One-Time Expenditures	0.00	0	(22,800)	0	(22,800)
FY 2007 Base	4.00	0	552,000	0	552,000
Benefit Costs Including H844	0.00	0	(1,900)	0	(1,900)
Inflationary Adjustments	0.00	0	3,900	0	3,900
Replacement Items	0.00	0	10,400	0	10,400
Statewide Cost Allocation	0.00	0	32,100	0	32,100
Change in Employee Compensation H844	0.00	0	5,600	0	5,600
FY 2007 Maintenance (MCO)	4.00	0	602,100	0	602,100
1. Dedicated Fund Shift	0.00	0	0	0	0
3. Manager of Investments Salary	0.00	0	14,000	0	14,000
4. Administrative Assistant Salary	0.00	0	11,700	0	11,700
FY 2007 Total Appropriation	4.00	0	627,800	0	627,800
% Change From FY 2006 Original Approp.	0.0%		10.5%		10.5%
% Change From FY 2006 Total Approp.	0.0%		9.2%		9.2%

SUPPLEMENTALS: H395 provided a one-time 1% Change in Employee Compensation (CEC) increase that was contingent upon the General Fund balance at the end of fiscal year 2005. In addition, S1263 provided an early 3% ongoing CEC beginning in February of 2006 for 10 pay periods.

APPROPRIATION HIGHLIGHTS: Benefit costs were adjusted to provide that one medical insurance premium holiday and seven life insurance premium holidays be paid from reserves. JFAC also stipulated that increases in health insurance costs be paid from reserves. An inflationary increase of 1.9% was provided for operating expenditures. Replacement items included \$3,000 for two computers, \$3,800 for a printer, \$1,600 for two chairs and \$2,000 for a digital recording system. Statewide cost allocation reflected changes in Attorney General, Controller and Treasurer fees and risk management costs. In addition to benefit funding, H844 funded CEC costs for the remaining 16 pay periods in FY 2007. JFAC approved a dedicated fund shift of \$4,200 from the Endowment Administrative Fund to the State Insurance Fund to reflect an increase in the percentage of the State Insurance Fund's portion of the portfolio from 31.95% to 33.18%. JFAC also approved \$14,000 to fund the Manager of Investments salary at 5% above the current rate and \$11,700 to return the Administrative Assistant salary to full time.

LEGISLATIVE INTENT: It is legislative intent that for fiscal year 2007, the Endowment Fund Investment Board transfer \$35,845,600 as follows: \$24,648,200 from the Public School Earnings Reserve Fund to the Public School Income Fund; \$661,200 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; \$2,361,300 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; \$2,115,700 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; \$809,300 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; \$2,375,800 from the Scientific School Earnings Reserve Fund to the Scientific School Income Fund; \$1,051,500 from the Mental Hospital Earnings Reserve Fund to the Mental Hospital Income Fund; and \$1,822,600 from the University Earnings Reserve Fund to the University Income Fund.

OTHER LEGISLATION: H592 clarified the gain and loss calculations. H591 amended the trigger on the inclusion of dividends and interest in the gain calculation for each endowment fund.

FY 2007 APPROPRIATION:	FTP	Pers. Cost	Oper Exp	Cap Out	T/B Pymnts	Lump Sum	Total
D 0349-00 Miscellaneous Rev	1.20	124,300	65,100	0	0	0	189,400
OT D 0349-00 Miscellaneous Rev	0.00	0	0	3,500	0	0	3,500
D 0482-70 Endowment Admin.	2.80	250,500	177,500	0	0	0	428,000
OT D 0482-70 Endowment Admin.	0.00	0	0	6,900	0	0	6,900
Totals:	4.00	374,800	242,600	10,400	0	0	627,800